
NEWS RELEASE

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GREGG: TARP ENACTED FOR FINANCIAL STABILIZATION, NOT MORE OVERSPENDING

WASHINGTON – U.S. Senator Judd Gregg (R-NH) today issued the following statement in response to the news that Democratic lawmakers and the Administration now want to divert funds from the Troubled Asset Relief Program (TARP) to pay for new policies aimed at job creation. Congress enacted TARP assistance under the Emergency Economic Stabilization Act (EESA) of 2008 to help stabilize the troubled banking system and financial and credit markets.

Senator Gregg, one of the lead negotiators of EESA, stated, “With our nation facing unacceptably high unemployment, Congress must explore ways to help Americans who’ve lost jobs or are concerned about their job security. However, Speaker Pelosi’s announcement yesterday that she wants to use TARP funds, which were solely designed to stave off the collapse of the financial system last year, on new policies aimed at job creation but that continue to grow government to record levels is inappropriate and disturbing. Our government is spending well beyond its means; we must work harder to decrease the extraordinarily high level of federal debt, not add more deficit spending to the backs of our children.

“TARP authority should only be used to prevent dire and irrevocable harm to our financial system and credit markets that provide liquidity for businesses and consumers—it was not designed to be used like rainy-day cash to throw around at any problem. This is the bottom line: if TARP authority, which we now are unlikely to use, is reduced in order to spend money on jobs programs, the result will be an increase in the deficit and the debt. If the Speaker, and now the Administration, want to enact a new jobs program and keep the deficit from rising, then they should work together to reduce spending in an existing program that we know for sure would otherwise spend money. If we think we’ll need these funds, we need to preserve the tools we provided to Treasury last year for nursing the financial system back to health. If we don’t think we’ll need the TARP authority anymore, then TARP should end.”

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